

**Property at a Glance****TOWNE GARDENS II APARTMENTS****FHA #: 012-55012 & 014-10019**

ADDRESS: **440 Clinton Street**
Buffalo, New York 14204

COUNTY: **Erie**

EARNST MONEY: **\$200,000** SALES PRICE: **Unstated Minimum**

TERMS: **All Cash-30 days to close**

LETTER OF CREDIT: **\$1,654,350** SALE TYPE: **Foreclosure**

PROPERTY INFORMATION

Total Units	Residential	Commercial	Foundation:	Concrete
360	Revenue 360	21	Roof:	Shingles
	Non-Revenue N/A		Exterior:	Brick
			Floors/Finish:	Concrete & wood

Elevator	Garden	Walk-up	Townhouse	Scattered Sites	Service Center	Mobile Home Park	Nursing Home	Vacant Land	Other:
		X	X						

Number of Buildings	Stories	Year Built	Rehab Year	Site Acreage	Approximate Net Rentable Area
36	1, 2 & 3	1972	N/A		

Mechanical Systems

Heating:	Air Conditioning
Fuel Gas	Plaza
System *See below	Insulated
	Screens
Hot Water:	
Fuel Gas	
System Individual	

Utilities

Public Water	X
Gas Main	X
Electric	X
Sanitary Sewer	X
Storm Sewer	
Septic Tank	

Parking

Street	Concrete
Curb	
Sidewalk	Concrete
Parking Lot	Asphalt
Parking Spaces	

Apartment Features

	Air Conditioning
	Dishwasher
	Microwave
X	Garbage Disposal
Gas	Refrigerator
	Range/Oven
	Drapes/Blinds

Community Features

	Garage
	Covered Parking
	Laundry Facility
	Cable/Sat Hookup
	Playground
	Pool
	Community Space

Owner Expense

Water (hot & cold)
Refuse removal
Parking
Gas
Gas range
Refrigerator
Carpet (some)

Tenant Expense

OCCUPANCY

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2005	81%	81%	80%	80%	82%	81%	82%	81%	82%	81%		
2004											81%	82%

ESTIMATED ANNUAL RENTAL INCOME:

Section 8 Number of Units	Type	Approx Square Feet	Current Rent	Estimated /Possible After Sale Rent	Estimated /Possible Total After Sale Rent	Total Estimated/Possible Annual Income
76	1 B/R	657	\$465	\$465	\$35,340	Rent \$2,365,440
33	2 B/R	912	575	575	18,975	Commercial 241,025
134	2 B/R	668	475	475	63,650	Parking 0
59	3 B/R	1,107	725	725	42,775	TOTAL \$2,606,465
Market Number Of Units	Type	Approx Square Feet	Current Rent	Estimated /Possible After Sale Rent	Estimated /Possible Total After Sale Rent	Estimated Annual Expenses
12	1 B/R		\$465	465	\$5,580	Administrative \$377,280
17	2 B/R		575	575	9,775	Utilities 144,720
29	3 B/R		725	725	21,025	Operating 505,080
TOTAL MONTHLY					\$197,120	Taxes/Insurance 431,280
						Reserve/Replace 90,600
						TOTAL \$1,548,960

COMMENTS CONCERNING PROPERTY INFORMATION:

302 of the 360 units are being sold with a Section 8 Housing Assistance Payments (HAP) contract.

The new owner has the option to repair to local code or demolish the units identified in Exhibit B to Foreclosure Sale Use Agreement, Attachment C.

The new owner has the option to retain or sell-off any or all of the commercial units.

* Individual heating system in the townhouse units; central heating system in the walk-up units.

Due diligence should be performed in advance of submitting a bid. While care has been exercised to ensure accuracy, all information provided is solely for the purpose of permitting parties to determine whether or not the property is of such type and general character as to interest them in its purchase. HUD makes no warranty as to the accuracy of such information.

USE RESTRICTIONS

20 Years affordable housing. 2 Years rent cap protection for residents who qualify under RIDER 3 OF 11,
TWO-YEAR RENT PROTECTION FOR PRE-EXISTING VERY LOW-INCOME TENANTS.

TENANT- BASED SECTION 8: APPLICABLE: ☐ NOT APPLICABLE: ☒

Housing choice vouchers will be issued to eligible residents of the complex by the public housing agency (PHA), selected to administer the voucher assistance by HUD. Housing choice vouchers are tenant-based assistance. Tenant-based assistance means that the subsidy follows the program participant and is not attached or connected to a specific project or unit. Therefore, the voucher assistance should never be considered a form of guaranteed rental subsidy for the property. The families are not obligated to use the housing choice vouchers at the property.

In addition, the processing of the voucher funding and the determination of family eligibility by the PHA may take several months following the closing of the sale. The PHA must also determine the owner's rent is reasonable and the unit meets the housing quality standards of the housing choice voucher program. If the rent is determined not to be reasonable in comparison to similar unassisted units in the market area, the family will have to move to receive voucher assistance. Voucher housing assistance payments for a unit may not under any circumstances cover any period before the date the PHA determines the unit meets the housing quality standards. Since the owner will not receive voucher housing assistance payments or increase the tenant's share of the rent during this period, bidders should take into consideration the time that may be necessary for voucher funding to become available, the PHA to determine family and unit eligibility, and the owner to complete any needed repairs when making an offer.

PROJECT- BASED SECTION 8: APPLICABLE: ☒ NOT APPLICABLE: ☐

This Property is being sold with a Housing Assistance Payments (HAP) Contract for 302 units. Bidders are cautioned that payments under the HAP Contract may not start immediately after closing, either due to repairs required by the purchaser or processing time required to start the administration of the Contract. Prior to receipt of the subsidy payments, purchasers may not charge eligible tenants, who are slated to receive Section 8, more than the amount of Total Tenant Payment the tenant would be required to pay under the Section 8 program. In addition, some tenants may have to be temporarily relocated due to project repairs. HUD has already accounted for these and other costs in this project's disposition process. Therefore, HUD is not obligated to make any monetary adjustments to cover any costs that may be incurred by the Purchaser. Bidders should compute their bids accordingly.

TERMS OF SALE

The purchaser must complete the repairs to HUD's satisfaction within 24 months after closing. The repairs are estimated to cost \$6,617,404.

Closing is to be held 30 days after HUD accepts the bid. If HUD authorizes an extension of the closing, the purchaser must pay a fee which is the greater of 1.5% of the purchase price or HUD's holding costs of \$19.46 per unit per day for each 30 day period.

The property must be brought into compliance with 24 CFR Part 5 Uniform Physical Standard not later than 180 calendar days (not to exceed 6 months) after the date for commencement of work.

All required repairs listed on HUD-9552 and its exhibits, or form 9882, must be satisfactorily completed within twenty-four (24) months of commencement of work.

The high bidder must demonstrate substantive experience in managing subsidized multifamily properties with project-based Section 8 assistance, or hire a Property Manager with demonstrated substantive experience in managing subsidized multifamily properties with project-based Section 8 assistance.

PROSPECTIVE BIDDERS SHOULD READ AND THOROUGHLY UNDERSTAND ALL INFORMATION PROVIDED HEREIN AND IN THE BID KIT PRIOR TO SUBMITTING A BID.

This is an "All Cash – As Is" sale. HUD is providing no financing for this sale. The purchaser must provide for payment of the full purchase price in cash at closing.

Submission of Bids: Bids for this property can only be considered for acceptance if submitted on the specific forms listed in the Bid Kit for this property, along with required earnest money. A Bid Kit may be obtained as indicated below.

Suspended or Debarred Parties: No consideration will be given to a bid submitted by any party currently suspended or debarred from participating in HUD programs. AS PROVIDED FOR IN 24 CFR, SEC. 27, THE DEFAULTING MORTGAGOR, OR ANY PRINCIPAL, SUCCESSOR, AFFILIATE, OR ASSIGNEE ON THE MORTGAGE AT THE TIME OF DEFAULT SHALL NOT BE ELIGIBLE TO BID ON OR OTHERWISE PURCHASE THIS PROPERTY. (Principal and Affiliate are defined at 24 CFR 24.105.)

INSPECTION OF PROPERTY AND BIDDING INSTRUCTIONS

Prospective bidders are urged and invited to inspect the property prior to submitting a bid. Note: If this is a foreclosure sale, HUD may not have access to the property. Bids for this property can only be considered if properly submitted by following the bidding instructions provided in the FREE INFORMATION and BID KIT.

The FREE INFORMATION and BID KIT may be viewed or printed at <http://www.hud.gov/offices/hsg/mfh/pd/multifam.cfm>. You may also sign up for our electronic mailing list at this web address. If you do not have access to the internet or can not download a PDF file, you may obtain a bid kit by calling (719) 550-9291, or faxing (719) 550-1622, or by email to usa567@kinkos.com.

BIDS for: Towne Gardens II

MUST BE PRESENTED ON: November 2, 2006

at: 10:00 am local time

At: Erie County Courthouse
(Foreclosure Alcove)
92 Franklin Street
Buffalo, NY 14202

HUD OFFICE:

Atlanta Multifamily PD Center
Five Points Plaza
40 Marietta Street
Atlanta, GA 30303-2806

REALTY SPECIALIST:

Greg Karns
Phone: (215) 656-0616 X 3391
gregory_karns@hud.gov